Financial Fetishism

Neoliberal Power and the Fictitious Sources of the Swedish Economy

Kalle Blomberg
Abstract

This thesis explores the conditions of neoliberal power through the lens of finance as a specific form of social mediation. Based on the recognition that neoliberal financialisation is mediated by financial forms that are characterised by a high degree of abstraction, the conceptualisation proceeds through an immanent critique aimed at tracing out the social sources behind them. In doing so it seeks to uncover the deep structures that make neoliberal power possible yet which tend to remain misconstrued through the refraction produced by its apparent forms. The highly financialised economy of Sweden serves as the concrete case for examining this social phenomenon. Neoliberal power, it is argued, derives its strength from a deepening fetishism that naturalises the alienated condition of the globalised capital relation, ultimately rooted in the way that money absents its own social source. This absencing gives rise to the false but necessary narcissistic social consciousness upon which the process as a whole relies. The absence of a concept of money’s own absencing in theories of neoliberal power tends to reproduce the detotalizing abstraction that the process itself depends on, with implications for the possibility for transformative change.

Keywords

Financialisation, fetishism, abstraction, super-exploitation, narcissism, absence, money, detotalization, alienation, immanent critique,
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Introduction

The level of private debt in Sweden is a source of increasing concern. The country managed to escape a recession after the global financial crisis in 2008. It did so, however, on the basis of extensive borrowing that now has pushed the economy into unsustainably high level of private debt, the very phenomenon that triggered the crisis in the first place (see Keen, 2017). At the second quarter of 2017, total private debt in the country stood at 232, 5% of GDP, up from 181, 5% just before the global financial crisis ten years earlier (BIS, 2017a). The central bank's stimulus package in response to the crisis, of negative interest rate combined with quantitative easing has mainly fuelled this development, as seen in inflated asset prices and increasing indebtedness of Swedish households. House prices in the country as a whole are nearly twice as high as they were ten years ago and the prices of tenant-owned apartments three times as high (Finansinspektionen, 2017a; Riksbanken, 2017, p. 2). Household debt, meanwhile, has risen to 180% of household income (Riksbanken, 2017, p. 7). Both international organizations and financial authorities within the country have in recent times acknowledged the potential risks with this development (Finansinspektionen, 2017a; IMF, 2016; Riksbanken, 2017). The problem is that the Swedish economy has become ever more dependent on the continued growth of this private debt. Should the process abate at some point it would mean that total spending in the economy decreases, leading to a potential downward spiral (see Hudson, 2015; Keen, 2017; Kindleberger, 2005; Minsky, 1982; Pettifor, 2006). But rather than analysing the inherent risks with this development, more conceptual clarity about the situation of the Swedish economy could be gained from turning the question around and instead ask how the deepening debt-dependency itself can be sustained.

The explosion of private debt is a reflection of the far-reaching neoliberal financialisation of the Swedish economy in recent decades. Financialisation denotes the observed shift in many developed economies during the neoliberal period away from productive towards financial activities and modes of accumulation (Epstein, 2006; Foster & Magdoff, 2009; Krippner, 2005). Though almost entirely concentrated to a few markets in the developed world, this process is nevertheless evident from simply looking at the total value of financial securities in the world. It went from almost matching GDP at $12 trillion in 1980 (Farrell et al., 2005, p. 40, 42) to tripling it at $242 trillion three decades later (Sanyal, 2014, p. 1, 2). The financial
sector in Sweden, barely existing before the 1990s, has through a series of deregulations (Englund, 1990) quickly gone from being one of "the most regulated to one of the least regulated OECD countries" (Stenfors, 2014a, p. 151). The increase in private debt is a reflection both of the sheer scale of this financial expansion, but also more specifically the fact that the increasing private indebtedness largely has come to offset a shrinking government spending accompanying neoliberal reforms.¹ At the same time as private debt began to skyrocket, government spending fell from a level of 64.9% of GDP in 1995 down to 52.2% in 2011 (Stenfors, 2014a, p. 87) and government debt, meanwhile, stabilised itself around 40% of GDP after the financial crisis, down from around 75% in the mid-1990s (ibid., p. 42). Private debt has thus emerged as the unquestionable source of debt-based demand during the neoliberal period when the general policy has been to combat government deficits (see Crouch, 2009; Keen, 2017).

This neoliberal financial process is generally conceived of as something natural and inevitable. The present thesis is premised on the idea that this natural appearance accounts for much of the strength and resilience of neoliberal power relations- the question is how this appearance can be achieved. If we want to understand this we cannot restrict the conceptualisation to empirically observed manifestations alone but have to engage in a theorisation of the specific power configuration that makes them possible.

Within critical political economy,² the social sources that sustain this neoliberal process have predominantly been sought in the financialised economy. One of the many interrelated aspects of the expansion of private debt in Sweden is that broader parts of the population have become increasingly involved in financial practices, both directly through private investments

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¹ Sweden was long associated with extensive policies of de-commodification (Esping-Andersson, 1990, p. 52), but beginning in the 1980s, ever more sections of the economy have been privatised, deregulated (Stenfors, 2014, p. 88) and open up for capitalist profit-seeking.

² The present thesis places itself within the post(or inter)-disciplinary research field of political economy broadly defined. Political economy, the origin of the disciplines of economics and sociology alike, constitutes an integrative social science approach that traverses the entrenched boundaries of academic division of labour (scholars within the field consequently come from many different disciplines, sociology among others). As an approach to the study of society, it is generally premised on the recognition that the partitioning of the social sciences into different specialised fields necessarily shields from view the larger picture of how the social process works as an interconnected whole. As I attempt to demonstrate with my argument in this thesis, such splitting up of the social process conceptually, is part and parcel of the deepening abstraction and reification of the capitalist process itself.
in financial instruments, but also indirectly through pension funds and debt-financed
cconsumption (Andersson et al., 2014; 2016; Belfrage, 2008; Stenfors, 2014a). Such financial
integration of the sphere of everyday life has often been seen as a crucial source from which
financial power can be derived (Harmes, 2001; Seabrooke, 2007) or alternatively as implying
a constitutive role of everyday subjects in sustaining the process of global finance (Aitken,
2007; Langley, 2008). However, the financial integration of everyday life is not a direct and
unmediated social process. It rests on a specific form of social mediation that is characterised
by a high degree of abstraction. This financial form was succinctly captured by Marx in the
formula M-M′ for interest-bearing capital,3 which he described as "the most complete capital
fetish", as money seems to generate more money out of itself indefinitely (Marx, 1989a, p. 450). Capital here, Marx explained, assumes a form in which "it no longer bears any trace of
its origin. The social relation is consummated as a relation of things (money, commodities) to
themselves" (ibid., p. 451). The social sources of the process, in this way, become totally
disguised by the reified effects produced by it.4 To ignore this specific financial form of social
mediation leads necessarily to an underestimation of the social underpinnings involved in the
process.

The purpose of this thesis is therefore to retrace the social sources hidden in the financial form
and to find out how this phenomenon is related to the exercise of neoliberal power in Sweden.
In other words it seeks to uncover the “deep structures” (see Bhaskar, 2008, p. 159) behind
e neoliberal financialisation in Sweden. It does so through an immanent critique that turns on
conceptualising the social relations hidden behind the apparent financial forms. These forms
are namely themselves far-reaching real abstractions from the social relations that underpin
them. Recognising that these economic forms are themselves abstractions, the question arises-
what set of social relations are they abstracted from? How, in turn, is this abstraction process
related to the specific way that social power expresses itself through those particular forms?
These are the two research questions that guide the theorisation on the following pages.

3 It should be seen in contrast to the original formula for capital which is M-C-M′, where money exchanges
for commodities and then return with an increment at the end of the circuit.

4 Reification is the process through which social relations are being turned into things and fetishism
expresses the way that these things, in turn, seem to be endowed with a life of their own (see Lukács,
1971).
Dialectics and Immanent Critique

As the subject matter of this thesis is highly abstract in itself, abstractions cannot be avoided. The question is rather how our abstractions are made. If, the abstract nature of the object is ignored, however, for example by applying a conventional empirical approach, one necessarily confines the analysis to the “real abstraction” of the process itself, ending up with an equally narrow conceptualisation of it (see Ollman, 2003, p. 62, 103). To avoid that, it is necessary to consider the highly 'theoretical' nature of the object itself. Only that way can we end up with a conceptualisation that does not unsuspectingly reproduce the historical specific conditions of the object itself. The emphasis in the thesis consequently lies on theorisation, which essentially means that it “negotiates” the conceptualisation of the phenomenon (see Sayer, 1984, p. 78). In this section, I will present the ontological and epistemological rationale for the dialectical method of negotiating conceptualisations (or abstractions).

Part of what sustains any social phenomenon is the particular way it appears in social consciousness. What we come to know about reality at any point in time is always mediated by a process of abstraction in mind. More often than not, however, this process is taken for granted, so that we routinely think with “hidden concepts, but not about them” (Sayer, 1984, p. 151). In any case, as these abstractions separate out some aspects of a phenomenon while ignoring others, they are, to a certain extent, what gives the world the shape it has in our minds (Ollman, 2003, p. 61; Sayer, 184, p. 80). They are the means through which we "carve up" reality in a way that enables us to identify things, divisions or potential connections in the world (Sayer, 1984, p. 77). But reality, as Bhaskar points out is "a potentially infinite totality of which we know something, but not how much" (2008, p. 15). It is therefore not in any way exhausted by our thoughts about it. Nevertheless, for social phenomena this something that we know, or that we think we know enter as a part of the object itself. The reason for this, is

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5 Sociology is inherently theoretical because “Society, as an object of inquiry, is necessarily 'theoretical', in the sense that, like a magnetic field, it is necessarily unperceivable. As such it cannot be empirically identified independently of its effects; so it can only be known, not shown, to exist. However, in this respect it is no different from many objects in natural scientific inquiry. What does distinguish it is that not only can society not be identified independently of its effects, it does not exist without them either” (Bhaskar, 1989, p. 45). This is, if possible, even more the case for the object of the present inquiry as financial forms are characterised by highly fetishized effects.
that social phenomena is not merely mediated by the thought process but conversely rely on it. In other words social phenomena are "concept-dependent", meaning that they depend “on what they mean in society to its members” (Sayer, 1984, p. 32). Due to this interdependence, categories of thought are never neutral, timeless descriptions unrelated to the social reality that they purport to describe. They are rather 'forms of being', or 'phenomenal forms' of historical specific social relations, and are thus essential elements to how the social process is sustained (Bhaskar, 1989, p. 70; Marx, 1996, p. 537; Mészáros, 1995, p. 483). Thought and social reality are internally related in such a way that the social world is not what it appears to be, but what it appears to be, on the other hand, is part of what it is.

It may seem appropriate to begin an inquiry into neoliberal power by providing a definition of what it is,⁶ then move on to investigate this delimited object by applying certain accepted concepts in the field. But such a straightforward procedure in fact implies that one arbitrarily cuts out a part of social reality without providing the basis for doing so- in effect treating what should be explained as a given isolated fact somehow assumed to exist out there in the empirical world as a ready-made and unproblematic starting point. Not only would this be based on an unacknowledged separation from the rest of social reality, assumed from the outset to consist of external and contingent phenomena, but the concepts one would use would then also appear to enter from outside the object as timeless instruments in a way that belies their historical specificity. Missing from consideration is that facts themselves are "socially preformed in two ways: through the historical character of the object perceived and through the historical character of the perceiving organ" (Horkheimer, 1972, p. 200). Taken together, studying social phenomena by relying on direct reference to unproblematically defined empirical categories, amounts to unsuspectingly reproducing common-place appearances of things (Sayer, 1984, p. 51) and believe that this is the way they really are. However, there would be little use of science “if outward appearance and the essence of things directly coincided” (Marx, 1997, p. 804). As with all sense-perceptions, such divisions of the world are in no way neutral observations but results from certain conceptual-mediations, it is only

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⁶ The concept is what we end up with rather than what we start out from (see Hegel, 1998). Neoliberalism as a term is also somewhat nebulous, because its ideology of free markets and free individual choice, obfuscates the fact that it in practice "involves extensive and invasive interventions in every area of social life" and that it in reality "imposes a specific form of social and economic regulation" (Saad-Filho, 2005, p. 4). Neoliberalism has therefore more readily been identified through different effects of its implementation as a broad policy direction in large parts of the world since the 1970s. The present analysis in contrast tries to grasp its deeper structures.
that this tends to remain unacknowledged due to the way that those particular divisions adhere to our common-sense view of the world—its intrinsic to the prevalent social practices (Sayer, 1984 p. 83).

Splitting up the social whole in this way, not only relies on taking the "conceptually saturated" perception of society for granted (Sayer, 1984, p. 50). It is also based on ignoring how the subject matter is “already moralized” and "value-impregnated' and thus how it is in part sustained by the specific values that agents assign to their practices (Bhaskar, 1989, p. 58; 2010, p. 110). Such split results in the problematic separation of fact and value in social science, where normative contestation of the social order is being removed to a separate sphere, while “the dominant institutionalized values”, internally related to the specific social totality, appear in a purely “technical/instrumental” and factual form (Mészáros, 2003, p. 30).

In neglecting the "value-impregnated” nature of social reality, this conventional position not only impoverishes social science by missing an essential dimension, it also in turn makes the values themselves immune to the scientific findings and social values thus "remain effectively science-free"(Bhaskar, 1989, p. 55). If we, on the contrary recognise that social values are internal to social phenomena, it becomes self-delusional to hold that one can occupy a neutral stance while trying to give an account of them because explaining them always involves a definite relation to something that is already valued. Sayer puts it this way: "We can't simply refuse to make any evaluation, negative or positive, because unless we decide whether the actors' own explanations of their actions are right, we cannot decide what explanation to choose ourselves.” (Sayer, 1984, p. 42)

Moreover, when the internal relation between concepts and reality is neglected, the historical specific social forms become naturalised. While categories and forms of thought that arise in the social process itself may express “with social validity the conditions and relations of a definite, historical determined mode of production” (Marx, 1996, p. 87) they nevertheless remain blind to their own historical premise and the transitory nature of the social phenomenon they purportedly describe. In this way they may therefore very well come to express “a truth about a reality that is false, i.e. inverted” (McNally, 2015, p. 138). Confining the analysis to what these concepts directly convey in effect means to hold on to this partial “truth” of appearance while ignoring altogether the pervasive falseness that may characterise it seen in relation to what it in fact presupposes, thereby distorting the true nature of the social object under analysis. Now, this distorted appearance is not to be understood as something that is passively registered in the minds of people but, on the contrary, since these concepts
are not “merely descriptive but constitutive” of these same phenomena (Sayer, 1984, p 32), the way that the phenomenon appears in the minds of the agents of a specific historical mode of production is part of what this phenomenon essentially is. But it is so only by virtue of being a one-sided and partial perception, without which the phenomenon could not be reproduced in this specific “inverted” way. So in fact, one could say that it is even “essential to certain kinds of phenomena that they should appear in mystifying ways”, with their mystifying character constituting an inextricable aspect of what they are (McNally, 2015, p. 138; see also Bhaskar, 1989).

The common-place division of the world into separate and externally related things is however objectively underpinned by the "real abstractions" of the social process itself (Ollman, 2003. p. 62). It derives much of its credibility and incontestable character from relying on a set of taken for granted abstractions that are isomorph to the reified structure of capitalism. For in capital's mode of production, social relations between people do in fact take the form of social relations between separate things that seem to be endowed with lives of their own (Lukács, pp. 140-143). It is not people’s own conscious decisions that govern their social production, but their mutual interaction is rather oriented to external laws that seem to derive from their social products, as for example expressed in the prices of commodities. In the financial form of exchange, money is exchanged for more money, which implies a far-reaching real abstraction of the underlying social relation implicit in the category of value. Paradoxically, therefore, paying much attention to empirical and historical specificity without taking into consideration the real abstraction involved, leads to accounts that seem concrete when they in fact are the most abstract, because they in this way come to ignore the underlying interconnections that the phenomenon is abstracted from (See, Lukács, 1971, p. 98).

In order to take account of this process of real abstraction together with the internal relation between categories of thought and the social relations to which they correspond, it is necessary to take a different epistemological route. The starting point here is the act of “referential detachment” which states that “discourse must be about something other than itself” (Bhaskar, 2008b, p. 212; 2010, p.16). Thereby we establish the independence of reality from our thought and discourse about that reality and we simultaneously disclose the historical specific ties that exist between these distinct processes. From there, one can move on to ask what the case “must be for the experiences grasped by the phenomenal forms of capitalist life to be possible.” (Bhaskar, 1989, p. 51; see also 2010, 54; and Sayer, p. 111).
Here we circumvent the “epistemic fallacy” which reduces statements about the world to statements about our knowledge of it (commonly equated with the empirically observable) which necessarily produces an “implicit ontology” confined to appearances and phenomenal forms, in effect, with the conservative implication of replacing the real with the actual (Bhaskar, 1989, p. 15; 2008b, p. 4). By proceeding through a transcendental argument of how the world must be structured in order for certain regularities to be possible, we are not only able to talk about the world directly, shifting focus from appearances to questions of ontology and the nature of objects. It also enables us to acknowledge the existence of absence in reality, which is of enormous importance since any "world containing change (e.g. any one containing agency) must contain absenting" (Bhaskar, 2008b, p. 371). We can thereby move beyond the deeply entrenched “ontological monovalence” which consists in producing an account of reality that rules out potential change in the world (Bhaskar, 2008, pp. 184-186). In this way the transcendental argument enables us to disentangle from the debilitating influence of real abstraction and thereby initiate a process of de-reification and agentification.

The great advantage with this transcendental procedure is that we now are in a position to take into account of necessary phenomenal forms. To posit a necessary relation here, means that we are parting ways with a whole set of rigid dualisms (fact-value, is-ought, human-nature etc.) in favour of a dialectic based on the ontology of internal relations (Ollman, 2003).

Categories and phenomenal forms are from this perspective grasped as internally related to historical specific social relations from the outset (Ollman, 1976, p 12-13; Marx, 1996, p. 537; McNally, 2012, p. 20). Contrary to the common-sense view according to which things are separate, independent and at most externally related, the starting point for the dialectical view is the interconnected whole “conceived of as relationally contained in each of its parts” (Ollman, 1976, p. 61). Since each part is what it is by virtue of being related in a specific way to the rest of the parts that make up the whole, it is consequently seen to contain these relations as essential aspects of itself (Ollman, 2003, p. 70). It is in this sense that society can be seen as a totality resulting from the inner-action between elements that “support” and “presuppose” one another in their specific historical forms (Marx, 1976, p. 166; Marx, 1986, pp. 36-37, 208).

Recognising that thought is a “form of being” of a given society, the dialectic procedure of immanent critique tries to capture the intrinsic connection between it and the social relations it presupposes. It does so by a process of abstraction that does not take the “real abstractions” of separate things for granted, but on the contrary seeks to retrace the internal relations that are
found to be implicit in them (Ollman, 2003, p. 144). By entering the given interconnected whole and “proceeding immanently” within it from the start, the categories and concepts are treated as inherently historical and their meanings are thus subject to change as they are shown to presuppose more relations than are disclosed in their apparent forms (Mcnally, 2012, pp. 19-20). This works in both directions, so that the critique is not confined to revealing where a system of thought has hidden premises in internal relations- it encompasses those relations themselves. For in showing that the categories and concepts are only valid within specific historical conditions, their illusory eternalised and natural forms has to give way, exposing the conditions themselves as being in fact relative and transitive (See Bhaskar, 1989, 52). At the point where the phenomenal forms are shown to rely on unacknowledged internal ties in a way that contradicts their self-representation, "the object that renders illusory (or superficial) beliefs necessary comes, at least in absence of any overriding considerations, to be criticized in being explained" (ibid., p. 53, see also p. 70).

In the present analysis, this dialectical method is applied to the social process of neoliberal financialisation in Sweden, looking at it through the lens of finance as a specific form of social mediation. At the most abstract level this mediation is defined here as the financial form of capital that Marx expressed in the formula M-M', and consequently includes every income stream that takes this form. But as the critique proceeds immanently, to trace out internal relations of the process by asking what it presupposes (see Sayer, 1984, p. 84), the meaning of the concept will not stay the same throughout the thesis. The focus is on the phenomenon of the mediation itself and Sweden is used as a case for studying it rather than the other way around. To this end, the inquiry takes the form of an explanatory critique, inspired by Bhaskar's dialectical critical realism and which comprises two essential moments (2008b, p. 354): one is a metacritique 1 of existing theories of financialisation and neoliberalism that seeks to identify "a relevant absence" in the literature, "indicating an incompleteness", such as omitted internal relations, detotalization etc. This is followed by a metacritique 2 which consists in explaining the identified absence, (i.e. absenting the absence) for example involving a corresponding re-totalization through the inclusion of omitted internal relations. Since such metacritique 2 "in general depends on a prior or concomitant metacritique or sublation of the entity under analysis" (ibid., p. 354) it turns, in this thesis, on the immanent critique of Swedish finance and neoliberalism. The starting point here is the

7 The designation social mediation is intended here to encompass the conceptual side of the process.
specificity of the financial form of social mediation which will be the subject of the first
section in the next chapter. It will set the conceptual stage for retracing the social sources of
the process in the following three sections. In the final section before the conclusion we will
revisit the concept of neoliberal power in a metacritique, revolving around the absence just
discovered through the analysis of the concrete Swedish case.

Retracing the Social Sources of Swedish Finance

This chapter traces the social relations behind the neoliberal financial development in
Sweden. It begins on the most abstract level with the concept of finance as a specific form of
social mediation. This concept will be used as the point of departure for tracing out the
interconnections behind the financial forms in the section that follows. The analysis will then,
in the third section, become more concrete as it proceeds to probe deeper behind the apparent
economic forms. There, it will be shown that these forms rely on unacknowledged ties to
globalised social relation characterised by deepening exploitation. In the last section of this
chapter the critique will continue on a higher level of generality in order to account for more
depth of the process and to see how it as a whole is conceptually dependent on a specific
narcissistic social consciousness reflected in the mediator of money.

The Financial Form of Social Mediation

This section develops the general conceptual framework for understanding how the process of
finance is mediated as a social process. The financial form of social mediation starts and ends
in money. This specific form has its origin in what Marx called interest-bearing capital-
money capital lent to productive capital and used in capital accumulation for the generation of
surplus value. The owner of interest-bearing capital gets a share of the profit in the form of
interest and thereby partakes in the extraction of surplus from exploitation of labour in
production. But as Marx argued, this exploitative precondition of value is more than ever
disguised here by the very transaction itself, which makes it appear as if only different
capitalists exchange money among each other with the result that an increasing amount is returned to lender in the end (Marx, 1989a, p. 456). That this increment presupposes the surplus extraction from labour, in the value relation of alienated labour time, is not discernible here at all. As all the intermediate stages of the process are totally "obliterated" in this form, surplus value appears instead to result from the very relation between different kinds of capital rather than from the contradictory and exploitative relation between capital and labour (ibid., p. 458, 494). Surplus, consequently, seems to be a product of capital as a thing exclusively related to itself and as Marx described it "just as growth is characteristic of trees, so money-bearing" [...] is characteristic of capital in this, its pure form of money" (ibid., p. 463). In this way, the financial form of social mediation produces a naturalising effect whereby money appears to possess a potentiality to generate more money out of itself indefinitely. It was this pure automatic impression produced by interest-bearing capital that Marx described as the complete form of capital fetish. The case was no longer simply that social relations took the form of things that people relate to rather than to each other directly, now only capital in the form of money seemed to be related to itself as a "self-valorising value" (ibid., p. 454). The source of surplus in the capital-labour relation is totally absented here in a way that heightens the degree of mystification of the capital-relation.

This complete fetishism, Marx argued, blurs the essential difference between income sources in society. As only the results of the process are visible in the money form, every revenue looks essentially the same. In a total inversion of the actual relationship of value therefore, all income streams with somewhat recurrent flow now appears to be a form of interest (M') deriving from a capital of corresponding scale (Marx, 1998, p. 464, 617). This complete inversion produced by interest-bearing capital was the reason why Marx described it as "the fountain head of all manner of insane forms, so that debts, for instance, can appear to the banker as commodities"(ibid., p. 463) Income sources that are not capital at all, now appear as forms of capital in their own right, because in the resulting money stream there is nothing that differentiate them from the money received as interest (M'). The fetishism of the financial form, in this way, disguises the distinction between different sources of income. It does not matter where the money revenues come from, whether it comes from taxes of the state, wages of households or profits of productive capital. All of them can constitute the bases for debt-relations according to the formula M-M' where their respective identity is lost.

This implies a process of capitalisation, where income streams that do not derive from capital are modelled, both conceptually and actually, as if that was the case. Capital fetishism is in
this way serves as the underlying precondition for the creation of fictitious capital, involving three potentially combined phenomena (ibid., pp. 463-477): First, things that are not essentially capital can be modelled as if they were; secondly, it allows for claims on future wealth not yet in existence to be modelled as existing capital in their own right; thirdly, these things can then be sold onto the market as paper claims, securities, with price movements without a definite relation to any real underlying value at all. From this follows that two different price levels emerge, one of the real wealth produced and the other for the prices of paper claims to values, and these levels may diverge to a considerable extent (Foster & Magdoff, 2009, p. 16; Marx, 1998, p. 467; Minsky, 1986, p. 175).

What allows these paper claims to have independent prices is the fact that the only requirement for a thing to be sold is that there exist a corresponding demand for it in money. Things without value, in other words things which are not products of alienated labour time, can therefore still have a price, as the only necessary requirement for selling a thing is "its capacity to be monopolised and alienated" (Marx, 1998, p. 627). On the other hand, this type of price functions as a monopolised claim that still presupposes value in the already realised form of money to buy into. These two conditions combined, allow for the phenomenon of commodification of things that are not really commodities at all. It is worthwhile to quote Marx at length in regard to this:

"Since the monetary expression or the price of a commodity, of a thing, is an expression in which the use value of the object is completely extinguished, which also means the extinction of the connection existing between the use value of this commodity and its value, i.e. the labour contained in it, which obtains an abstract expression in exchange value, abstraction from the use value or the nature of the object can proceed further, to the point where abstraction is made from whether it is a use value which contains and can contain objectified labour. Things which have no value may have a price” (Marx, 1994, p. 115)

But as money at the same time is nothing but the independent form of value and price nothing but the money expression of value, there can be no essential difference between value and price, which makes a price on a thing without value a de facto "irrational expression" (ibid., p. 617).8

8 Financial innovation rests on an extension of this sphere of irrational prices of things without value. An illustrative example is the process of securitisation, where fictitious capital in the form of loans are bundled together and traded as securities on the financial markets in their own right (Fishman & Kendell, 1996). The asset-backed security is a paper claim on an income stream that has nothing to do with any newly created value, but which is nevertheless sold off as a security with a price. The neoliberal era has
Still, it is only in relation to the specific non-value of labour that capital as social relation exists. Because the price on labour in fact functions as a fictitious paper claim that buys into a smaller part of value in the form of money, than labour gives up as alienated labour time in the form of commodities. Conversely, it is only in relation to the surplus value generated this way (ultimately in the realised form of money) that labour is posited as an alienable thing that can have a price at all. But as soon as the capitalist pays labour with this value in the form of money "every trace of the relationship and of the operation by means of which it was obtained has disappeared" (Marx, 1987, p. 354). The conversion into money disguises the fact that labour cannot have any value, since value is exactly what it has to give up in the labour process, and it is only value as long as it is given up in this particular way.

In the price of labour, a non-value is measured as if it was a value, that is, it is measured as if it is a product of alienated labour time- which it is not and never can be. As is the case in the price of land, two incommensurable and diametrically opposed qualities are thus reconciled in the price of labour (see Marx, 1998, pp. 804-805). A wage income is actually an "irrational expression" comparable to any other fictitious paper claim to value that can be monopolised. As Marx explained the phenomenon: "The irrationality consist in the fact that labour as a value-creating element cannot have any value, nor can therefore any definite amount of labour have any value expressed in its price, in its equivalence to a definite quantity of money" (Marx, 1997, p 36). But this identity as "irrational" is lost due to the fact that abstraction of money converts everything that is being sold on the market into de-facto commodities with no apparent difference from real commodities, for as "money is the converted shape of the commodity, it is not evident from looking at it where it comes from whether this may be conscience or virginity or potatoes” (Marx, 1994, p. 346).

Taken together, the financial form of social mediation implies an increasing abstraction from the source of value in alienated labour. What appears in this form is only the result of the process- money that changes place. This is pushed to the extreme in the financial derivative where what is being traded is not even claims on any underlying value of assets, the contracts

witnessed a capitalisation of more and more income streams in this way (Leyshon & Thrift, 2007). Another example is the massive market for financial derivatives. The notional amount of outstanding OTC (over the counter) derivatives in 2014 was $680 trillion, or eight times global GDP (BIS, 2017b, p. 252). These contracts are based on the objectification, commodification and pricing of abstract risk (LiPuma & Lee, 2005). An abstract contingency is thus being objectified and turned into a thing that has a price in the derivative contract, despite that it does not have any value.
concern only the price movements themselves and function as bets on what happens to them (Bryan & Rafferty, 2006; LiPuma & Lee, 2005; Norfield, 2012). Increasing volatility of currencies and prices on the financial markets since the 1970s, stemming from the new context of floating exchange rates, gives ample opportunities for speculating on price movements but it has also implied an increasing necessity to hedge against financial risks. Regardless of the motive, profit that results from these financial transactions alone, have to do with changes in relative prices on the markets. Such pure financial profits do not represent any new value created, it can only redistribute either value in the already realised form of money or future claims to such value. The movements of relative prices on the financial markets can only affect a transfer of money from one part to another. So the only profit that is the exclusive product of financial transactions is a form of “profit upon alienation” - a zero-sum game in which one part wins what the other loses (Lapavitsas, 2011). But the increasing orientation towards price movements themselves obviously increases the obsfuscation of the social relation involved in value and deepens its naturalisation. Profits, more than ever, seem to arise from the prices on the market and not from the surplus extraction from the exploitation of labour in production. In the next section we will look at how this fetishism expresses itself in the concrete context of Swedish financialisation.

**Financialisation and the Rise of Fictitious Capital**

The process of financialisation in Sweden, gaining momentum in the early 1990’s and largely coinciding with the onset of neoliberalism, has meant that capital fetishism today permeates the Swedish society to an unprecedented degree. In a relatively short period of time after abandoning the fixed-exchange rate in the early 1990, Sweden has turned into a thoroughly financialised economy (see Stenfors, 2014a). Today, the Swedish financial sector, with assets worth around 5.5 times GDP, is one of the largest in Europe seen in relation to the size of the economy (IMF, 2016, p. 5, 8). Not only economical businesses in the strict sense, but Swedish households have become ever more integrated into the financial sphere through increasing household debt and financial investments. Previous work has shown how such financial deepening makes everyday life and its meaning context more and more bound up with the logic of global finance (Andersson et al., 2016). I will argue that this development is underpinned by the specific way that both the Swedish economy as a whole and everyday life in Sweden has become increasingly dependent on the sustained creation of fictitious capital in different forms, a process that relies on an a deepening fetishism which naturalises capital by
cutting all the connections to surplus creation by alienated labour. In this way, the social mediation of finance is seen to play a fundamental role in how people in Sweden come to make sense of the world they live in. This impact on social consciousness feeds back into the reproduction of the present power relations that make up the Swedish economy. It does so through misrecognising the deeper social sources that underpins the social process as a whole. In this section we shall analyse how this naturalising effect is produced in and through the many fictitious income streams that connects Swedish finance.

One of the participators in this deepening fetishism is the non-financial corporation. It is involved in this process in two main ways, only one of them conforming to the original form of capital fetishism where money is lent to productive capital. But even this form has got a slightly altered meaning in the neoliberal era. Interest-bearing capital in the original form, as we saw, means that the lender through the interest paid back at the end of the transaction takes a cut of the surplus extracted by labour. In the neoliberal period, however, the main tendency in financialised economies has been a reversed flow from productive to financial investments (Foster & Magdoff, 2009; Hudson, 2015; Orhangazi, 2008). The financial sector has more and more turned into an investment outlet in its own right for non-financials. Property income from different financial assets accounted for 51.4% of the total resources of Swedish non-financial corporations in 2011, it had then increased from a level of 40.9% in 1995 (Stenfors, 2014b, p. 13). Non-financial businesses, in this way, have become increasingly reliant on owning different forms fictitious capital.

But increasing ownership of fictitious capital is not the only way that a financial dependence relation ties non-financials to financial activities. Simultaneously as they have become financial investors in their own right, their indebtedness has also deepened considerably, increasing by a factor of five between 1995 and 2013 (ibid., p.12). In relation to similar trends in other financialised countries, some scholars have argued that the increasing financial obligations of non-financials crowds out productive investments and hinders real capital accumulation in the economy that otherwise could have taken place (Orhangazi, 2008b; Stockhammer, 2004). Yet, such line of reasoning seems to be contradicted by the fact that non-financials themselves have invested heavily in financial assets, as this suggests that money capital available to spend has not been in short supply. It is rather the other way around, that they in a context of excess surplus of money capital, have become increasingly reliant on leveraging their financial investments through debt, as this pushes up the prices of the fictitious capital and creates an alternative speculative source of profit (see Foster &
Magdoff, 2009, p. 61,121). Capital fetish has consequently come to mean something different than its original form. Rather than a share of the surplus from productive activities outside finance, the financial capture M-M', is now to a larger extent internalised into the financial sector, signifying instead mainly a form of redistribution through price movements of fictitious capital.

At the same time, capital fetishism is being spread throughout the rest of the Swedish society by the capitalisation of Swedish household income. Swedish banks are ever more reliant on lending to households as a source of profit. The total debt of Swedish households, primarily consisting of mortgage loans (around 82% of total household debt), is 3,563 billion, an amount equal to 81% of GDP (Finansinspektionen, 2017b, p. 4). It is this form of lending to households that constitute the largest part (47%) of Swedish banking businesses today (IMF, 2016, p. 9). In effect, such lending implies a process in which household income is modelled as a form of capital and expected to generate a monetary surplus (M-M') to be paid back as interest. But as labour income cannot generate surplus as capital can through exploiting labour power, Swedish households are turned into fictitious capitals that are expected to produce the same result without the required conditions. As interests on these loans cannot be paid out of newly created surplus in alienated production, this form of lending to households constitutes a form of 'financial expropriation' that eats into wage income instead (Lapavitsas, 2009).

Household debt, however, does not only extract income from wages. The other side of debt is credit, and credit creation is conversely a source of additional demand besides household income (Keen, 2017, pp. 80-81). The dramatic increase in household debt in the last decades attest to both the deepening credit-dependence of Swedish households and the increasing importance of this debt relation for the banks. Household debt has moved up to 180% of disposable income from a level roughly equalling it twenty years earlier (Riksbanken, 2017, p. 7). The proliferation of this creditor-debt-relation in financialised economies has been interpreted as implying that the debt-extraction of household income according to the formula M-M' largely has come to replace the capital-labour relation as the predominant mode of value capture in the neoliberal period (Lazzarato, 2013). Yet, there are two objections to such claim; first, turning households into fictitious capital rests on increasing abstraction that blurs the lines between essentially different income sources, making it seem as if all income derives from capital the same; second, it then becomes necessary to find out where the capital-labour relation does take place, if not in the financialised economy. In fact, the first phenomenon is not understandable except in relation to the second.
Besides being a source of financial profit, wage income has also increasingly come to be invested in fictitious capital. This constitutes the other side of the process of capitalisation. Households are here expected to profit like capitals from price increases on financial assets. Financial assets held by Swedish households have increased from SEK 1500 billion in the mid-nineties to SEK 3273 billion in 2012 with a gradually larger share represented by mutual funds savings (Stenfors, 2014a, pp. 127-128). In Sweden, almost every adult participates in such financial investments, either directly or indirectly through pension funds savings in the new pension system introduced in 1999 (Belfrage, 2008; Stenfors, 2014a). Hence, the fetishism of M-M' has penetrated deeper into the sphere of the everyday life and social consciousness so that everyday subjects come orient themselves towards it as totally natural part of their life, expecting money savings to increase out of itself on the financial market. People are in this way invited to "think like capitalists" (Martin, 2002, p. 12) in ever more situations of their everyday life.

This has been a highly contradictory process. The pension reform intended to universalise financialisation in Sweden has been fraught with difficulties when it comes to achieving the desirable "subject formation" of widespread risk-taking that would secure legitimisation for it among the broader population (Belfrage, 2008). But the fact that the reform has been implemented and that it has succeeded in making pensions structured on fictitious capital suggests that the process does not rely so much on the active legitimisation and agentive adaptation of the Swedish population. It is rather that their increasing dependence on fictitious capital through pension funds means that broader sections of the population have become increasingly exposed to the fetishized financial form of mediation. The social sources sustaining such a process of popular integration go much deeper and so does its contradictions. Financial integration of everyday life has more to do with how these deeper sources both makes the process possible and how it at the same time is increasingly disguised by the financial forms. To begin with, the fetishism of the financial transaction M-M', shields that labour income used for financial investments in fact means that labour comes to participate in its own exploitation as labour (see Soederberg, 2011). Now, this can only serve as a first approximation of the mystification involved, but in principle and on the most general level, it describes what actually goes on behind these investments.

Popular investment in fictitious capital is not restricted to the financial markets. By far the largest asset that people invest in is their home. Swedish homeowners have seen the prices of their homes rise enormously during the last decades (see introduction). They have
increasingly come to experience these price increases of their homes as a purely natural phenomenon and as an increasingly privileged source of wealth. Rising house prices in Sweden in the last decades in effect creates "fictitious" capital gains for households. It undergirds a widespread middle class experience which may last as long as the asset price inflation can be maintained and successfully profited from (see Toporowski, 2010). But land, since it is not a product of alienated labour time, cannot represent any value. The price of it is in reality a monopolised claim that is rooted in the ownership of a thing without value, and as such it is "irrational", deriving instead its value from the money that buys it (Marx, 1998, p. 617, 626). The house prices are therefore to a large extent (if we exclude the production costs of the actual buildings) determined by the excess demand for it in the already realised form of value in money. Sustaining the asset price inflation of houses therefore requires a steady growth of this demand in relation to the limited supply that presses up the price of this thing without value. But in the capital gains realised through these "irrational" prices, nothing of this external prerequisite is recognisable. The prices seem to correspond to an inherent value of the houses, capable of "self-valorising" like any other capital (see Marx, 1989a, p. 454). In the money transaction there is no difference between this kind of non-commodity and real commodities of alienated labour. Swedish homeowners have thus come to relate to their own homes as a fictitious capital that naturally performs the function of wealth creation according to the formula M-M', although land which it is based on is not even a value at all.

Taken together, these developments imply that Swedish households, to the extent that they succeed in monopolising claims to value, seem to merge with capital as thing that somehow is capable of generating wealth out of itself. For in the result of the various money transactions there seem to be no difference at all. The fetishism of M-M' make them all look the same, which increases the naturalisation; making it seem like a property inherent in money to produce more money on its own (Marx, 1989a, p. 458). The increasing penetration of this financial form of mediation into everyday life in Sweden makes it a totally natural feature of how people come to relate to the world.

The capitalisation of Swedish households also transfigures the relation between the classes in Swedish society. It is easy to see why this heightened fetishism should have the depoliticising effect of smoothing over their conflicting interests. The capital-labour relation, which is the fundamental basis for them, is nowhere to be found among all fictitious paper claims that everyone possesses, seemingly without exception. Financialisation, accordingly, seems to have involved a "re-constitution of labour as a form of capital" (Bryan & Rafferty,
Labour is here reconstituted in the specific form of fictitious capital for it cannot be capital as long as it is labour and it is only labour in relation to capital. Capital, in turn, cannot only consist of fictitious capital, as it only exists in relation to non-capital in the form of exploited labour (Marx, 1986, p. 204). It is exactly this contradiction that is being ever more mystified in Sweden by the fact capital and labour more and more coincide in the dependence on fictitious capital.

Far from self-sustained however, the prices of this fictitious capital have been kept on a high level thanks to expansive money creation by banks. Alienated labour is the necessary condition for the existence of money at all, since for a claim to be valid as such it must be related to something that can be claimed. But as long as labour is being alienated, given up in the form of value, money can be produced out of nothing as a claim on it. This is in fact what happens when banks make loans. In this process they create deposits out of nothing, thereby injecting new money into the economy side by side with the debt to be paid by the borrower (Bank of England, 2014; Keen, 2017, p. 80; Minsky, 1982, p. xx; Pettifor, 2017, p. 24). In Sweden this process has been extensive, which is evident in the high level of private debt, currently standing at 232, 5 % of GDP (BIS, 2017a). Although this pattern of private debt growth conforms to the one that is observed across OECD countries since the 1980 (See Clayton, 2000), Sweden stands out as one of the countries that have the highest private debt level in the world today (BIS, 2017). New money created in the form of credit in this way, adds to aggregate demand in the economy in addition to the “turnover of existing money” (Keen, 2017, pp. 80-81). The unprecedentedly high level of private debt suggest the extent to which the Swedish economy as a whole has become ever more dependent on credit creation by banks for maintaining growth in the economy.

Excess supply of money from these manifold sources pushes up the prices of things without value. As these things derive all their value from the buyers side of the exchange (Marx, 1994, p. 152) - from already realised value in the form of money- their prices are determined exclusively by the money demand for them. This fictitious capital therefore constitutes a natural outlet for absorbing excess money surplus and provides increasing opportunities for speculation on price increases (see Foster & Magdoff, 2009; Magdoff & Sweezy, 2008). In tandem with the ability to monopolise these things, a process of asset price inflation is generated whenever there is a demand for them that exceeds limited supply. In the case of land, for example the asset is limited by its very nature and as the demand for land increases along with excess money seeking it, which conversely makes it a desirable thing to
monopolise. In Sweden the huge rise in house prices during the last decades serves as a case in point. The steep increase can be seen largely as a result of a mutual enhancing relation between credit creation by banks and rising house prices. The price of a house is nothing but a monopolised claim that rises as long as the excess money that demands it does not abate. It is essentially the same with the prices of all fictitious claims to wealth because a "home or office building, stock or bond is worth whatever banks will lend against it" (Hudson, 2015, p. 166), and banks, conversely are willing to lend whatever it is worth.

This type of asset price inflation has become an increasingly important source for capital gains during the neoliberal era as much investment is being channelled into financial assets rather than real capital accumulation (Hudson, 2015; Pettifor, 2006). In Sweden, it is perhaps most strikingly evident in the rising inequality attached to capital gains from increasing asset prices following the deregulation of the financial markets in 1980s (Roine & Waldenström, 2012). As a whole, this orientation towards price movements on paper claims to value produces the fetishized impression that surplus arise from the prices of the fictitious claims themselves. For in the financial form M-M', there appears to be no difference whatsoever from a situation where M' represents a share of the surplus created in production. Yet, the only profit that can be said to result from such asset price inflation is a kind of "profit upon alienation" (see previous section), which is just a redistribution of value in the already realised form of money.

Financialisation, in this way, implies that the differences between income sources in Sweden disappear in a crucible of fictitious capital. In it, the source of surplus value is completely absented and as a consequence also the basis for the social power that is wielded through monopolised claims to that value. Instead, value seems to arise from the prices of these monopolised claims themselves. This thing-like reduction gives the process a purely natural appearance that is at the heart of how financial power works. The proliferation of fictitious capital in Sweden makes it seem as if money somehow is generated in the relation between different fictitious capitals. Capital fetishism, which gives rise to the impression that capital only appears to confront other capitals and not labour (Marx, 1989a, p.494), is in financialised Sweden heightened by the fact that income streams without exception, through an extensive process of capitalisation, are modelled as if they all where capitals. Capital seems to be totally self-sufficient. Yet, finance "neither produces value nor even transfers any value from its operations to commodities. All of its profits, as well as its costs, are a deduction from the total surplus value produced elsewhere" (Norfield, 2016, p. 144). The relation between different
fictitious capitals can at most generate claims to value by virtue of constituting different types of monopoly rights to non-values.

But here we re-encounter a fundamental contradiction of capitalist social relations, having to do with the discrepancy between how they appear and what they essentially are. Price, it will be remembered, is nothing but the "the monetary expression of value" and a price on a thing without value is therefore an "irrational expression" (Marx, 1994, p. 152). Apart from this irrationality in the form itself, the deeper contradiction here actually lies in the way that the price of a non-value, which is an "irrational expression", at the same time is internally related to value in the already realised form of money-it thus presuppose value for its existence at the same time as it cannot have any. This is not all however, for value in turn is seen to rely on non-values, that is, it is in fact internally (as part of what it essentially is) related to an "irrational expression"-which makes it an inherently false phenomenon. Still, value only exists in and through that contradiction. Especially, as we shall see in the next section, in relation to one specific non-value, namely in relation to labour power.

Realising Value Produced Elsewhere

In the last section we saw that the rise of fictitious capital in Sweden has implied a deepening fetishism that naturalises the capital relation. In this section, capital is seen to presuppose a specific relation to the hierarchical differentiation of the fictitious price of labour power across the global labour force. As I will argue, the contradiction underlying global value is now primarily a relation that radiates out from the developing economies, but it is essentially the same relation that expresses itself in the financialised Swedish economy in the form of fictitious capital and allows the phenomenon of increasing capital fetishism to take root there. They are only different instances of the same process of globally constituted fictitious claims to value.

Today, the contradiction of value is inherently global. The social relations sustaining it have through the massive relocation of production in the global economy since the 1970s moved onto a global plane. This has enabled the formation of a new division of labour that together with financialisation in the developed world shapes neoliberal capitalism. These two processes converge in the problem of value and "The law of value" as McNally points out "works itself out on the plane of total social capital, and it is at the level of the world-market
that money acquires the form of world-money" (2009, p. 44). Thus, it is crucial to continue the immanent critique on this analytical plane in order to understand the social relations hidden in the value form and to find out how Sweden is situated within this globalised social process. Not only do these social relations converge in value- it is also here that they ultimately are lost, above all in the form of money. The increasing fetishism of money intrinsic to the financial shift screens the contradiction of value and its globalisation during the neoliberal era.

Capitalist globalisation of production since the 1970s has made developed economies ever more dependent on low-wage labour from abroad. Production in the world economy is now largely organised within so called global value chains (GVCs) where the different stages in production process are separated out and performed in many different places and by many different contractors in the world economy (Gereffi, 2005; Milberg & Winkler, 2013). An extensive process of offshoring and outsourcing of production by lead firms based in the developed economies coupled with export-oriented policies in developing world has been central to this new form of globalised division of labour (See Gereffi 2005; McMichaels, 2000; Milberg & Winkler, 2013). Not only has it made the global production process increasingly interdependent, but it has also implied that "the centre of gravity in much of the world's industrial production" as Gereffi explains "has shifted from the north to the south of the global economy" (Gereffi, 2005, p. 5). In terms of the share of global industrial workforce, "less developed" regions surpassed "more developed regions" in mid 1970s, and the share continued to grow from 53% in 1980 up to 79% in 2010, corresponding to 541 million workers (Smith, 2015, p. 101). Intimately related to this relocation of global production is the process of "hollowing out" of industrial activities in the developed world as these are being replaced to a large extent by low-wage labour, a process that on the other hand has allowed an expansion in the share of service sector jobs in this part of the global economy (Gereffi, 2005, p. 5). Most value in this new global interdependence has tended to concentrate in the developed economies, having to do with the asymmetrical structure of GVC's where lead firms in the developed economies, by virtue of exerting a high degree of control over markets can take advantage of the fierce competition among suppliers in low-income economies in order to cut costs (Gereffi, 2005, pp. 46-47; Milberg & Winkler, 2013, p. 241).

The developments in the Swedish economy in recent decades conform to this global pattern. The share of multinationals employment in low-wage economies increased from a level of
around 10% before 1995 up to nearly 35% in 2010 (Tillväxtanalys, 2012). Related to this is a change in composition of the workforce that remains in the country. Offshoring the actual production of commodities to affiliates in low-wage countries has been found to increase the relative demand for high skilled labour at home (Ekholm & Hakkala, 2005; Hansson, 2005; Tillväxtanalys, 2012). This relative labour demand for high skilled labour, measured by the effect of offshoring on the wage share bill of skilled labour, is moreover seen to be "especially great when offshoring to low-income countries" (Tillväxtanalys, 2012, p. 26). As this interconnected process of offshoring allows companies to concentrate specific core activities at home (Tillväxtanalys, 2012), it has underpinned the observed phenomenon of "servicification" in Sweden, expressing itself in the increasing share of manufacturing revenues accounted for by service activities (Kommerskollegium, 2012). But “servicification” is not confined to this direct link of MNC offshoring of production. Services account for 70% of GDP in Sweden (SCB, 2018), and it is worth to consider "the fact that although" all these people in services "produce 'immaterial products', they consume 'material products'" (Marx, 1989a, 179).

Yet, it is precisely high-skill jobs of the 'immaterial' character in Sweden that purportedly represent the most productive activities in this globalised production process. The so called 'smile curve' of the global value chain, where the proportion of value-added is higher at both ends and lower in the middle where production and assembly take place, seems to suggest that it is the 'human capital' intensive activities in the beginning and end of the chain (such as research & development (R&D), design, marketing, sales that represent the most value creating phases in the process (Tillväxtanalys, 2012, p. 20). Sweden's position in the top the global hierarchical division of labour seems in this way to be the result of the high productivity associated with 'human capital' intensive activities performed in the country. However, this productivity, measured by the proportion of value-added, is found to increase automatically when a firm offshores production to low-wage countries although the activity performed by the parent company remains the same (see Ekholm & Hakkala, 2005, p. 9; Housemann, 2007; Smith, 2005, p. 175). It cannot therefore reasonably have anything to do

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9 This likely underestimates the Swedish MNC dependence on low-wage labour since it does not account for "arm-lengths' outsourcing, an increasingly important strategy for lead firms in recent decades (Smith, 2015, p. 79). The Swedish fashion brand H&M is a case in point. The company performs no production itself but outsources all manufacturing activities to more than 700 subcontractors around the world, mostly in low-wage countries in Asia (Capell, 2008).
with 'human capital' intensity itself. Even less so as the value curve remained almost flat before the 1970s when all activities were performed within the developed economies, while it started to 'smile' only afterwards when these activities were increasingly offshored to low-wage countries (see Tillväxtanalys, 2012, p. 19). But the association that is being suggested in the mainstream account is quickly removed to a black box. As to the reason why these activities all of a sudden turn more productive or less productive as a result of the globalisation of production remains a mystery.

The confusion arises because value-added, as Smith points out, does not measure what it purports to- it does not measure productivity in the country, only the money transactions that eventually take place on the market there, and "nothing is produced in marketplaces" (2015, p. 262). Thus, the concept of value-added is based on a category mistake; it refers to the category of price as if it belonged to the category of potential value generated, when it in fact belongs to the category of value actualised in the money form. Prices either realise or buy into value, alienated labour time, in its independent form money. They may represent a mix of these two, but regardless, they refer to nothing else than what is converted into money when commodities are sold. Rather than being a measure then of the value created, value-added measures "value captured" through prices, since this is what really does take place on the market (Smith, 2015, pp. 262-270). Productive labour in the capitalist sense, on the other hand, is labour that produces surplus value (Marx, 1989b, pp. 8-9). Unfortunately, it has no other meaning. Such surplus can only result from the difference between the part of value that labour buys into through its price and the part of it that is represented by the alienated product that it gives up- the difference between necessary and surplus labour time (Marx, 1989b, p. 97, 107). It is exactly this difference that widens as a result of offshoring of production to low-wage economies and which lies behind the asymmetrical structure of global value chains.

The concept of value added is therefore a complete inversion of the real dynamic behind value creation in the neoliberal era. Value creation in the globalised economy is rooted precisely in the huge price differences on labour power globally combined with the free movement of capital (see Smith, 2015). An increasingly important strategy of capital in the neoliberal period has been to engage in "global labour arbitrage", a process in which production is outsourced to places in the global economy where the price of labour power is much lower than in the economies where these companies are based (Roach, 2003). The strategy has been bolstered by the near "doubling" of the global labour force in the 1990's, which has increased downward competitive pressure on the price of labour power globally (Freeman, 2005;
Gereffi, 2005, p. 9). What goes into this highly profitable strategy of global labour arbitrage is perhaps best revealed by an analysis made by Norfield (2011) after a study conducted by the German newspaper Die Zeit: By dissecting the price components of a T-shirt sold by H&M at 4.95 euros on the German market, it was shown that 1.35 euros per t-shirt was paid to the supplier in Bangladesh for the total production costs, of which just a small portion (around 10-15 cents) was estimated to account for labour costs (according to later estimations even as low as 2-3 cents). This could be compared to the net profit (around 60 cents) accruing to H&M and the larger part of the price representing other stages in the chain (plus VAT) most of which accrued in Germany where the price was realised in money on the market. The part that exceeds the labour cost in this example represents potential surplus value that when realised in the form of money is "expended" on the other activities in the process (see Marx, 1988, p.135) but counted as their respective share of value-added (see Smith, 2015, p. 14).

Outsourcing to low-wage economies in this way increases the surplus value by lowering the price of labour power and accordingly the fraction of value that represents necessary labour time relative to the fraction that represents surplus labour time. The surplus value extracted from low-wage labour in this way amounts to a form of "super-exploitation", as the price of labour power is being pushed down below the value of labour power in the rich economies (Smith, 2015, p. 205), reducing the fraction of global alienated labour time (value) that the fictitious commodity of labour power is able to buy into through its price. It is ultimately low price of labour power relative to the alienated output realised in the money form that determines the rate of exploitation, or the degree of surplus extraction; the higher this price is, on the other hand, the more of it represents a share in the total surplus value generated that way (Marx, 1988, p. 235). As such the price of this low-wage labour in the developing economies constitute a lower bound to which potential surplus value increasingly defines itself globally.

But the creation of surplus value is not enough. The division of alienated labour time in a necessary part and a surplus part only represents one side of this process, the generation of value as a potentiality. But the reproduction process of capital is actually a unity between two separate phases- one in which surplus value is created and one where it is realised in the form of money on the market. As Marx explains: "To begin with: capital compels the workers beyond necessary labour to surplus labour. Only thus does it valorise itself and create surplus value. But on the other hand capital posits necessary labour only in so far and to the extent to which it is surplus labour, and is realisable as surplus value" (Marx, 1986, pp. 349-350).
Surplus value, and consequently the capital relation itself, are sustained in the interaction between these two phases of the reproduction process. For surplus to be realised, it has to be sold (see Szljafer, 1984a, pp. 274-275), in other words money has to realise the values represented by the prices of the newly created commodities. This means that the surplus value created can only be realised in so far as it meets a corresponding demand in money. Such demand, however, cannot come from the labour that created it, since it is precisely in the gap between the price of that labour power and the price of the generated output that surplus value exists. The demand that realises the surplus must therefore have an external source from the labour that creates it (Marx, 1986, pp. 346-349; Minsky, 1982, p. 64).

In today’s neoliberal capitalism this is a globalised problematic. The "internationalization of production" as Hart-Landsbergs points out "is an export oriented strategy and the ever-expanding scale of transnational production requires ever-expanding external markets to absorb the output" (2013, p. 36). It is this absorption that becomes misrecognised as value added by 'human capital' in Sweden. The problem of surplus absorption, which only deepens as consequence of super-exploitation (Foster & McChesney, 2012, p. 151), necessitates and enables an ever larger share of labour in non-productive activities (see Braverman, 1985, p. 352; and Szljafer, 1984b, p. 308). Excess surplus in this way explain how Sweden is able to maintain a large service sector in general, but it also offers clues as to why certain sections of it are highly remunerated. High wages function as fictitious paper claims to value with two mutually enhancing effects on surplus absorption. To begin with, it represents an outlet for

10 "Wages are conceived here as interest, and therefore labour power as the capital yielding this interest"[...]"The insanity of the capitalist mode of conception reaches its climax here, for instead of explaining the expansion of capital on the basis of the exploitation of labour power, the matter is reversed and the productivity of labour power is explained by attributing this mystical quality of interest-bearing capital to labour power itself." (Marx, 1998, p. 463) As we saw earlier increasing fetishism makes it seem as if all incomes derive from some sort of capital. The concept of human capital is based on taking this most fetishized result of the process for granted and referring to it as a self-explanatory factor in its own right.

11 Norfield explains the underlying interrelatedness this way: "Clearly, if the Bangladeshi worker were to receive the US worker’s average wage of $30 per hour, rather than 1.36 euros per day, then there would be no more T-shirts costing less than 5 euros! But the low wage they do receive is one reason why the richer countries can have lots of shop assistants, delivery drivers, managers and administrators, accountants, advertising executives, a wide range of welfare payments and much else besides. The wage rates in Bangladesh are particularly low, but even the multiples of these seen in other poor countries point to the same conclusion: oppression of workers in the poorer countries is a direct economic benefit for the mass of people in the richer countries" (2011)
excess money surplus which makes the price of this labour rise as a consequence of the excess demand for it in money, much in the same way as any other thing without value that can be monopolised (see section on the financial form of social mediation). This is the real reason why the share of value added by 'human capital' in Sweden rise as consequence of globalised production; the fictitious commodity of labour power captures value to the extent that it can monopolise labour as use value, but such capture on the other hand presupposes the existence of an excess value in the form of money to buy into. The higher the wages for labour, therefore, the more the price of labour power seems to merge with fictitious capital in general as a form of monopolised paper claim to wealth which is subjected to asset inflation in much the same way.

But it does not only reap fictitious capital gains for itself in this way, for the value bought into through the price of this monopolised labour power, in turn represents a source of external demand in money for newly created surplus value in the form of commodities. Consumption in Sweden rose by 63% in the twenty years from 1996-2016 (Roos, 2017, p.14). This was during the same period that saw an intensified offshoring of the actual production to low-wage economies, suggesting that fictitious capital of labour power in Sweden (commonly misrecognised as 'human capital') not only "consume 'material products'" (Marx, 1989b, p. 179), it turns out to be its privileged role in the globalised reproduction process of value. But this is obfuscated in conventional statistics for whenever a commodity is sold "only a small fraction of its final selling price will appear in the GDP of the country where it was produced, while the greater part of it appears in the GDP of the country where it is consumed" (Smith, 2012, p. 97). As value added, in this way, only measures what is realised on the market, it is this consumptive role of the Swedish economy that is reflected in it, rather than productivity of 'human capital' within the country.

Thus, capital is related to the fictitious price of labour power in a contradictory way; first as the origin of surplus value and second as a vital source of demand necessary for the realisation of this same surplus value. Capitalist interest, accordingly, is split up in two parts corresponding to these two necessary requirements of the reproduction process; for as much as it is in the capitalist's interest to keep the wages of his own labourers as low as possible to generate a large potential surplus, he has the opposite interest in relation to the rest of the labour force, which constitute a source of demand for the realisation of this surplus value as profit (Marx, 1986, p. 342). It is these two opposite imperatives in relation to the price of
labour power that during the neoliberal period has been de-coupled to a large extent through
global labour arbitrage.

The opportunity to monopolise the fictitious commodity of labour power, determines not only
the role that this 'emerging' fictitious form of capital (i.e. human Capital) performs in the
global division of labour and the reproduction of capital, it also determines the extent to
which it taps into the alienated global power of capital and accesses its estranged capacity in
the form of money. The success in monopolizing claims to value, of which the fictitious
capital of labour power only represents one form, expresses itself in the observed pattern of
rising inequality of wealth and income in Sweden (see OECD, 2015; Socialstyrelsen, 2010, p.
97; Roine & Waldenström, 2012), the phenomenon which marks neoliberal capitalism more
than anything (Piketty, 2014). Actually, Sweden stands out as the country within OECD that
has experienced the largest growth in income inequality in the period after 1990s (OECD,
2015). But to miss that inequality and the Swedish class structure today is fundamentally
globalised phenomena, and the monopolisation internal to them is preconditioned by surplus
extracted from super-exploited labour in the global south (See Smith, 2015; Cope, 2015), is to
gravely underestimate its social underpinnings.

Inequality of global labour is reproduced in this interaction between fictitious monopoly
claims to value in one end and super-exploitation in the other. These are forces that push in
opposite direction depending on the different ways they are related to surplus value. Surplus
value, in turn, only exists as a consequence of their interrelation, as they correspond to the two
distinct but necessary sides of reproduction process. In essence, therefore, this global
inequality based on fictitious claims comes to mirror the globalised capital-relation itself- for
capital itself is nothing but a constantly reproduced monopolised claim on value, generated in
the ever expanding difference between necessary labour time and surplus labour time. The
global price structure of fictitious capital (labour power included) is thus isomorph to the
fundamental contradiction that capital itself as a social relation is based on. This is why
"Income, status, authority, and consumption patterns would radiate out from the centres along
a declining curve", as Hymer (1979, p.179) presciently described the new global vertical
division of labour at the time when production was becoming increasingly internationalised.
Monopolisation of fictitious claims, in this regard, also provides the general meaning of
labour aristocracy in our time (c.f. Cope, 2015, p. 75)\(^{12}\) and explains why Sweden occupies a position at the top of this hierarchical division of labour.

From this vantage point it is more understandable why labour in Sweden should increasingly merge with capital. It only reflects the fact that the essential capital-labour relation now to a large extent is a relation between monopolistic capital in the rich countries and super-exploited low-wage labour in the developing world (see Smith, 2015). But the fetishism of the first phenomenon hides the connection to the latter. It disguised the fact that Sweden’s position in this exploitative interdependence have very little to do with any corresponding productivity of domestic activities and everything to do with the ability to monopolise claims that buys into globally extracted surplus value. The increasing obfuscation integral to the rise of fictitious capital in Sweden is at the same time a necessity for the alienated capacity that is tapped into by these monopolisable claims, for it effectively hides its origin in the ever widening division of global labour- the source from which capital derives its dominating power (see Lebowitz, 2003, pp. 84-87). Today, the global labour force is not only being divided in control and combined in work (c.f. Hymer, 1979, p. 86), but it is increasingly being divided according to the two necessary phases of the reproduction process, distributed out on opposite sides of the global labour arbitrage. The contradiction of "irrational prices", as expressed in the opposing forces of super-exploitation and monopolisable fictitious claims respectively, combine to press down the total share of alienated labour time that global labour buys into taken as whole, while it increases the total amount that is claimed by capital, which is evident in the global decline in labour share since the 1980s (UNCTAD, 2013, p. 14). But this globalised capital-labour relation could not be reproduced this way without the specific social consciousness that adheres to the mediation of money. This is what we turn to next.

**Money: the Mirror of Narcissism**

In the previous section we retraced the globalised capital-relation that tends to disappear behind the naturalising forms of finance. Now the critique continues on a higher level of generality in order to probe deeper behind the phenomenal forms that these essential relations depend on. I will argue that these phenomenal forms ultimately are anchored in the mediation of money which turns these essential relations into a mirror for the narcissistic consumer.

\(^{12}\) As it is not restricted to wage income, but includes it as a specific instance of a more general category.
In money, the globalised contradiction of value underlying the Swedish economy disappears completely. The reason for this is that money itself is nothing but the absenting of this contradiction, and it only exist as such; it is an inherently paradoxical thing which cuts the very connections that it at the same time depends on- money is nothing without them, but they are nothing within money. Through the mediation of money the circulation of commodities "is a mist veiling a whole world, the world of the interconnections of capital" (Marx, 1987, p. 27). Even more so today when these interconnections of capital span the whole global economy. The abstraction inherent in money, only increases in relation to the scale of the global value which is absented in its form, making it increasingly difficult for social consciousness to grasp its own entanglement in the contradiction. Money, accordingly, comes to nurture what Marcuse aptly described as 'one-dimensional thought”, incapable of penetrating down to where the present social relations contradict themselves, where negation and the much needed transformative thinking can take root (Marcuse, 2002, p. 14). In money only one dimension of the global economy remains- that of prices and their relations, and in that dimension there cannot be any question of "irrational" prices, much less any contradiction between such irrationality and something called value. The alienated social power of global labour expressed in that value, which was examined in the previous section, consequently disappears. Money redirects attention away from this underlying social relation into a reified one between things, where the forgotten social power reappears in the form of the money owner- expressed as the command over a thing-like alienable world of commodities.

Nowhere in that relation is it evident how these claims that the consumer is in possession of are related to the exploitative interdependence of the globalised labour process. The increasing real abstraction inherent in money makes the consumer appear to be totally unconnected to the social production of the commodities that confronts him. As such it has far-reaching consequences for how the consumer mediates himself with his objective surroundings. In a society based on mass consumption like ours we live, as Lasch explained "surrounded by man-made objects, to be sure, but they no longer serve very effectively to mediate between the inner world and the outer world" (Lasch, 1984, p. 195). Much less today then when these objects are the result of a highly interdependent process in which commodities generally are produced very far from the end-markets where they are consumed. The world of commodities as Lasch described it:

"simply confronts us, at once exciting, seductive, and terrifying. Instead of providing a 'potential space between the individual and the environment'”[…]” it overwhelms the individual. Lacking any
'transitional' character, the commodity world stands as something completely separate from the self; yet it simultaneously takes on the appearance of a mirror of the self, a dazzling array of images in which we can see anything we wish to see. Instead of bridging the gap between the self and its surroundings, it obliterates the difference between them." (ibid., pp. 194-195).

The commodity world indeed lacks a ‘transitional’ character, but it does not lack a transitional object. It is only that this transitional object is money- a thing that 'obliterates' the very 'transition' itself. Money interposes itself between 'the self' and 'its surroundings', but it does so precisely as a 'mirror'. As such it does not 'bridge the gap' but annuls it altogether, turning the mediated commodity world instead into a mere reflection of the self. Through that obliteration, the awareness of being separated does not even emerge, consequently neither the need to 'bridge' or transcend any separation.

Not only therefore does money abstract from its own social source, it also refracts it into a mirror for an increasingly narcissistic consumer culture. Essentially, narcissism consist in a denial of an objective world existing outside and separate from the self (Lasch, 1984, p 182; Fromm, 2002, p. 33-35). For the narcissist "there is only one reality, that of his own thought processes, feelings and needs. The world outside is not experienced or perceived objectively, i.e., as existing in its own terms, conditions and needs” (Fromm, 2002, p. 34). It is this social consciousness that is refracted by the mirror of money. In its reflection, the consumer only comes to confront himself and his ever more abstract and artificial needs, not the global exploitative prerequisite for their satisfaction. He comes to live as it were "surrounded not so much by things as by fantasies" in a world that "has no objective or independent existence and seems to exist only to gratify or thwart his desires" (Lasch, 1984, p. 31). Through the mediation of money, the whole world is potentially turned into a mirror where the consumer only comes to know his own reflection not the social relations behind it. Lacking any basis for grounding the self in the objective world means that the only way that the narcissist can relate to the world and other persons within it is in the form of "extensions of himself" (Lasch, 1979 p. 86). The refraction of money tends to make the world into a projection surface for these narcissistic "extensions" of the consumer in the rich countries.

This narcissistic social consciousness reflected in money is necessarily most pronounced in the parts of the global economy where the consumer role is predominant, as it is in Sweden. Having cut the links to its past, money replaces the real 'transition', represented by the globalised labour process, with a claim on its results and the inflated self-image reflected in it grows in proportion to its monopolisation. Both the financial expansion and debt-fuelled rise
in consumption in Sweden during the last decades, which were covered in the two previous sections, coincide here in the increasingly narcissistic social consciousness reflected in monopolised claims to globally extracted value.

The narcissistic phenomenal form is not merely a product of this development but is also constitutive of it. It expresses itself in an incapacity to relate to the rest of the objective world in a sustainable way, which is strikingly evident from the fact that it would require more than four planets if consumption all over the world would be as high as in Sweden (WWF, 2016, pp. 78-79). The unsustainable high level of consumption expresses the fact that the narcissistic consumer only can experience the social power hidden in money through the need of having. Since the only viable relation to a world that is given up in the form of alienable things, commodities, is one of possession, the need of having as Marx's argued, takes precedence over all the senses that potentially connect humans to the objective world (Marx, 1975, p. 300). But possession does not refer to any concrete need that can be satisfied, it is abstract and therefore practically limitless (Mészáros, 1975, p. 176). The proliferation of artificial needs based on having in rich countries like Sweden thus magnifies the narcissistic denial of any objective limitations, which translates into a destructive transcendence in relation to both nature and humans (see Fromm, 2002, p. 36; and Mészáros, 1995, p. 529-530). Super-exploitation in the developing world corresponds to an extension of the realm of artificial needs in the developed world necessary to realise ever larger surplus generated from the exploitation. But money severs the connection between the two processes and reduces it to a thing that is in the possession of the individual consumer in proportion to the ability to monopolise claims.

As this thing only reflects the owner, it gives rise to a narcissistic distortion of the essential relations behind it. What is immediately forgotten in the form of money is that before there can be distribution of products at all, there must be distribution of the means of production (Marx, 1986, pp. 33-34) which brings us back to the alienated conditions of capital. The alienated social power of capital is preconditioned by monopoly rights to 'things without value' that interpose themselves between humans and their essential social metabolism with nature. An absolute condition of existence is that humans are connected to external nature as their "inorganic body", with which they have to maintain a continuous metabolism in order to secure an existence at all (Marx, 1975, p. 276; see also Burkett, 2014; and Foster, 2000). Intimately related to this is that they are bound to be connected to each other through a social production process organised around mutually interdependent social needs (Marx, 1975, p. 276; see also Burkett, 2014; and Foster, 2000).
212, 278). It is this sociality (in which the need for the "inorganic body" is included), that Marx saw as the essential nature of humans as a communal, species-being (Marx, 1975, p. 277). This social metabolism in which species-life is reproduced in its totality, can be referred to in terms of primary mediation, since it is an inescapable condition of human existence as such (Mészáros, 1975, p. 79). Through the monopoly internal to the capital relation, the direct producers become separated from these objective conditions of their life (see Mészáros, 1995, p. 66) and it is this that constitutes the necessary prerequisite for existence of value, a historical specific category constituted by nothing else than objectified alienated labour time (see Marx, 1975, p. 219, 225; 1996, p. 46, 705). Value can only exist in and through this separation from essence.  

Capital in itself is essentially nothing but a constantly reproduced claim on that value. It consists precisely in the relation between the capture of alienated labour time on one side which posits a world of alienable things on the other- a relation that is being reproduced through an ongoing social process. But this capture of alienated labour time, or value, in turn presupposes the generation of a surplus value; the asymmetric power of capital in this relation derives from the difference between necessary and surplus labour time (Marx, 1996). It is here that the capital-relation is seen to rely on the existence of an alienable thing on the market capable of generating a product that represents more alienated labour time than is represented by its own price. Capital, Marx showed, encounters such an thing in the fictitious commodity of labour; it is the difference between surplus labour time and the labour time necessary for the reproduction of labour power that constitutes the essence of the social

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13 The core meaning of the concept of alienation is precisely that one is separated from something that is essential to ones being (Bhaskar, 2008, p. 267).

14 It is widely assumed that value is determined solely by what people actually and subjectively projects onto the commodities. But even if subjective valuation in this way may influence the prices of commodities, it cannot explain the existence of value. This becomes evident if we consider that for the subjective valuation to exert any influence on prices, a corresponding demand in money is presupposed, which means that what should be explained- value- is already assumed (only that is in its already realised form). Moreover, commodities are not commensurable according to any assumed common measure of utility, since their utility arises precisely from their mutual qualitative difference in relation to each other. Quantity, however, is always identical with respect to quality, it only differentiate itself within this same quality through a differentiation between quanta (see Hegel, 1998). The quality neoclassical theory in fact refers to under the name of utility is therefore nothing but the misrecognised quality of 'moneyness' shared by all commodities. Prices are only different quanta, expressing a specific relation to the limited quantity of value as a whole. Marginalist utility theory of value, by confining the analysis to actualised prices, is therefore based on circular reasoning.

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relation of capital (Marx, 1996) and which today is inherently global in form (see Smith, 2015)

Thus, the value relation of capital expresses an alienated social capacity. Turned against the direct producers from which it emanates, it transforms humans’ essential “species-life” into a means for individual life (Marx, 1975, p. 276-277). The basis for their essential power- their interlocking mutual needs- is given up and turned into the foundation for someone exerting power over someone else (ibid., p. 225, 306). This is now a thoroughly globalised process emanating out, as we have seen, primarily from the developing world and the alienated capacity expresses itself in the form of monopolised claims in parts of the global economy which perform the role of “primary consumer”\(^\text{15}\) in the reproduction process of capital. Power comes to denote the success in the pursuit of putting others into a relation of dependence on things that can be monopolised as claims to the alienated product generated solely through the ever widening separation that underlies the globalised capital relation.

With its origin in this fundamental separation intrinsic to value, capitalist social power operates through quite distinctive set of social mediations. It is wielded through a set of second order mediations, "mediations of mediations", that are superimposed onto the primary social metabolism with nature and which produce an inverse relation between absolute and relative conditions of social life (Mészáros, 1975, 79, 80; 1995, p. 17, 108). Together these second order mediations form an interconnected whole, where division of labour, exchange, capital, money, value etc., only represent different moments or instances in the same ongoing process, being at one and the same time the alienated conditions and results (Marx, 1986, p. 208; Mészáros, 1995, p. 108; Lebowitz, 2003, p.61). These are forms of the social process that have become reified and thus appearing to have an independent existence (Lukács, 1972, pp. 140-143). But this appearance of independence can only be sustained as long as reification has the grip of social consciousness. Its preservation, however, is underpinned by the fact that the reifying commodity structure tends get more firmly entrenched in social consciousness during the course of capitalist development (Lukács, 1972, p. 152). The social relation of value, as previous sections in this thesis suggests, tends to become more and more disguised due to the increasing abstraction characterising its apparent forms. As a consequence, the historical specific alienated social power is being ever more naturalised whereas the universal,

\(^{15}\) Here I adopt and generalise a term used by Hart-Landsberg (2013, p. 36 ) to describe the role of the US in the global economy.
absolute conditions of human existence and essential species nature undergo a corresponding process of de-naturalisation (See Mészáros, 1995).

Nowhere is the naturalisation of second order mediations more complete than in money. As money is what connects everything and everyone within capitalist social relations, it assumes a status of primacy. In the same way as monopoly rights were seen to interpose themselves between humans and their needs, giving rise to the separation intrinsic to value, money is here found to enter in the process as the interposing object that correspondingly reconnects humans with that which has been lost to them. It can have that role, however, only because it at the same time absents the fundamental separation intrinsic to value. In absenting that separation, money also comes to absent that from which humans are separated- their essential social metabolism with nature. It is this that lies at the root of the narcissistic denial of the objective world reflected in the mirror of the monopolised claims to globally produced value. For in cutting the ties to the social metabolism with nature money screens that humans are "objective" beings who have their essential “nature outside” themselves (see Marx, 1975, p. 337; Ollman, 1976, p. 28) and that they consequently only can express power in relation to an objective world that they are internally related to through their interdependent social needs (Marx, 1975, p. 336; Ollman, 1976, p. 76, 78).

In place of the primary social mediation of these mutual interdependent needs, money emerges as the mediator of social life, since "that which mediates my life for me, also mediates the existence of other people for me" (ibid., p. 323). But as we have seen, money can only mediate this objective existence of other people in the form of 'extensions' of the self which results in a destructive narcissistic denial of the objective world. Still, whatever power that one may exert in relation to people and objects must necessarily pass through the channels of this mediator in one way or the other. Conversely, being denied access to this connectivity makes agents powerless as regards the objects of their manifold social needs (Marx, 175, p. 325). The social power that has been estranged, given up in the form of value, can only be regained through the mediation of money; what has been lost in alienated social production is later accessed by you as a money owner in proportion to your ability to monopolise claims. But as this sociality of money presupposes the existence of value, alienated labour time, it is ultimately an expression of an estranged form of social capacity. It is in this sense that money, as Marx explained, is the "alienated ability" of human beings, for what the individual cannot do, he/she can do through the universal mediator of money (ibid., p. 325). At the same time, the alienated origin of this capacity is more than ever forgotten.
precisely here, for in money value acquires a form that totally absents the social relation that it derives from (Marx, 1987, p. 354). Money abstracts from the social relations of value, its own terms of existence, with the effect of making these historical specific, alienated conditions of capital appear as absolutely natural and inevitable features of social life itself. As much as money therefore connects everything alienable, it is ultimately money that disguises the social premise that enables it to do so.

Money, in this way, constitutes the necessary phenomenal ground for neoliberal power. The narcissistic social consciousness reflected in it comes to deny the increasing global separation of which it is a part. Without that denial the global separation itself could not be sustained in this way. The narcissistic self-image reflected in the mediation of money and the commodity world automatically legitimises the alienated condition. It does so through a misrecognition of the source that underlies the power that expresses itself in money- that the social power that is being exerted throughout the global economy derives from tapping into alienated social capacity through monopolised claims. All the ties that connect this monopolisation to the global exploitative interdependence are absented in the object of money, which instead redirects these social relations into a reflection, not of the essential social activity that it presupposes, but into naturalised relations between things as expressed in the relations between prices on the market. In the next section we shall see have the absence of a concept of moneys own absenting produces detotalizing accounts of neoliberal power.

Retotalizing Neoliberal Power

This section is a metacritique that that seeks to explain a common absence in theories related to neoliberal power and finance. It brings together aspects of neoliberalism that are usually treated separately: financialisation of capital accumulation, neoliberal power, social sources of the process, ideology and money. Based on the immanent critique in the preceding chapter, I will argue that the separate treatment of these aspects stems from the absence in these theories, of money's own absenting and a failure to recognise finance as a specific form of social mediation characterised by a high degree of abstraction from its own social source in value. It tends to produce accounts that underestimate the social underpinnings of neoliberal power because they, due to this absence, remain attached to the far-reaching real abstraction
of the process itself. What is more, they fail to account for this heightened abstraction itself and its role in sustaining the social process.

Financialisation is often defined in terms of a changed relation between different forms of capital. As such, the process has been explained in terms of a shift in the economy away from productive to financial forms of capital accumulation (Crotty, 2006; Krippner, 2005; Orhangazi, 2008; Stockhammer; 2004). The evidence of this changing pattern of capital accumulation that is most often invoked in the literature is the increasing share of income in the economy that nowadays takes a financial form. During the neoliberal period, investments of productive capital have increasingly been channelled into financial instruments rather than financing real capital formation in production (Orhangazi, 2008; Stockhammer, 2004). That the direction of investment flows has changed in this way is above all reflected in the growth of the global financial markets in relation to GDP (see introduction). The growth of finance in these spheres of the global economy does suggest a movement in which financial sector has emerged as an increasingly "privileged site for accumulation" and the generation of profits (Krippner, 2005, p. 187).

Although this observed shift in accumulation may serve as an initial approximation of the social processes involved, there is much more that is not directly observable from the form of value appropriation itself. To begin with, profit is nothing but the realised form of surplus value in money, but as such it is a form that screens its origin in the exploitation of labour power and makes it seem as if it instead is generated in the exchange of commodities on the market. This is why Marx described profit as an "already obscured and mystified" form of surplus value (Marx, 1989a, p. 455). This obscurity is therefore even more the case in the financial form of capital (M-M'), where the social relation of value is reduced to a relation between two amounts of money without the mediation of commodities. For presupposed here is not surplus value directly, but only this already obscured form of surplus value in profit (ibid., p. 490). Stopping at this point confines the social process of capital to its most reified results, which in turn remain unexplained. It in effect replaces the social relation of capital, where capital is seen to confront labour, with a relation between different forms capitals, thus reducing it to a fetishized relation between things (see ibid., p. 494). An exclusive attention to this relation between forms of capital, in this way, tends to naturalise the process as something purely economic. What takes place in the sphere of social production becomes a distant phenomenon. The same goes for the alienated and nowadays inherently global social power which expresses itself there in the form of value.
Financial power is more often identified with a strengthened capacity of dominant segments and institutions in society. Neoliberal shift has for example been interpreted as a successfully waged class struggle by the upper classes and financial elites, by which these have managed to impose their will on the rest of society (Duménil & Levy, 2011; Harvey, 2005). The increasing global inequality of wealth that has accompanied the neoliberal era, goes a long way in corroborating that the societal transformation during this period have been in the interest of the dominant classes. Global inequality has steadily increased since 1970’s (Piketty, 2015) and today, 8 persons own as much as 3.6 billion people, the poorest half of the world population, owns together (Oxfam, 2017, p. 2). This increasing wealth disparity is a clear expression of the class interests behind neoliberal policies worldwide. There are others who argue that rather than directly expressing the power of the dominant classes, neoliberalism and the rise of global finance expresses an enhanced structural or institutional capacity of the American state to shape global politics according to its own geopolitical interests (Gowan, 1999; Konings, 2011; Seabrooke, 2001; Panitch & Gindin, 2013). This could be seen as a reasonable supplementary claim to the class-centred argument above, considering that the neoliberal transformation of global capitalism has required level of coordination and oversight that different class fractions in the world economy could not achieve alone. But despite valuable observations, both the class-based and state-based theories share a deeper conceptual problem. Referring directly to either class or state capacity as self-explanatory factors in their own right, leaves the value relation in its most reified form in place. By not considering the financial form of mediation itself and the social relations that it presupposes, the alienated social power that lies hidden behind the monetary form of value becomes neglected. Social power, as a consequence, appears as something external to the financial form of value, being instead equated with its various manifestations. What goes missing is the more fundamental source of social power that is implicit in value, without which the observed dominance could not be achieved.\(^{16}\)

\(^{16}\) What these approaches fail to do is to make a distinction between two different types of power. One that has to do with capacity to do anything, captured by Bhaskar in the category of power\(_1\), a universal aspect of social action as such, and which he distinguishes from power\(_2\), the category that refer to power exerted over someone else within relations of domination and exploitation (Bhaskar, 2008, p. 153). In the theories above, the first becomes subsumed under the second, leading to actualism as the real is being reduced to the actual state of being (see Bhaskar, 2010, p. 11). Capacity as such becomes equated with its present alienated form and no room is thus left for potential change and real transformative action, which are arguably implicit in the more universal aspect of power, inherent for example in the ability to become, develop and change circumstances (see Bhaskar, 2008, p. 385; Ollman, 1975, p. 75; Sayer,
Giving short shrift to the social power implicit in value, the social sources of financial power have instead mostly been sought outside it, in the sphere of everyday life of the financialised economies. As ever broader sections of the population have become integrated into the financial process during the neoliberal era, it has been argued that mass investments by the larger public create popular consent for neoliberal policies in a way that buttress class hegemony (Harmes, 2001). Similarly, this increasing participation has been identified as crucial source from which the state can increase its power in the international sphere by securing legitimation for policies at home (Seabrooke, 2007). The emphasis in both cases is on the way that the dominant power segments in society can draw strength from the increasing financial participation from below. Others have more generally stressed how the process of financialisation is influenced by everyday actions and how the process changes as a consequence of impetus from these (Aitken, 2007; Langley, 2008). Rather than merely a source of hegemonic power, the sphere of everyday life is here conceptualised as the main locus of the social process of global finance. While everyday actors in the financialised economies play a significant role in the reproduction of the process, to focus on them directly without paying attention to the financial mediation by which their participation is enabled, leads to an underestimation of the social prerequisites. The reason for this, as we have seen, is that the financial form of social mediation plays a significant role in hiding the deeper social premise from view. Moreover, by not taking account of how the process is mediated, one fails to recognise the impact that the increasing penetration of financial forms into everyday life has on social consciousness.

Ideological dominance is often cited as a crucial aspect of how social practices of neoliberalism are sustained. Harvey, for example, argues that neoliberal consent is constructed on the basis of a set of powerful ideas centred around individual freedom, that are capable of shaping the common-sense understanding of the world by virtue of being so universal that they appeal to almost everyone without exception (Harvey, 2005, pp. 39-41). But as ideas are not powerful in themselves, the question is how they can be reconciled with the actual state of affairs and not contradicted by them. As Mészáros puts it:

1984, p. 233). As Sayer explains "it would be a poor abstract or concrete research which was unaware of the fact that what is need not necessarily be, and which failed to note that people have powers which remain unactivated in the society in question but which could be activated" (Sayer, 1984, p. 233). Moreover, such actualism neglects how the separation from the essential social production is a reproduced precondition of capitalist power, relations of domination and exploitation which ought to be included in the analysis of them to prevent eternalizing their historical specificity.
"It must be stressed, the power of the dominant ideology is as great as undoubtedly it is, not simply because of the overwhelming material might and commensurate political/cultural arsenal at the disposal of the ruling classes. For such ideological power itself can only prevail thanks to the positional advantage of mystification through which the people at the receiving end can be induced to endorse 'consensually', the values and practical policies which are in fact quite inimical to their vital interests." (Mészáros, 1986, p. X)

The ideological representations in this way need to be supported objectively so that that the explanation they provide corresponds to the way that social relations becomes reflected in social consciousness. It is therefore a question of an internal relation between the ideological appeal on the one side and the phenomenal forms of the social relations on the other (see Bhaskar, 1989, pp. 68-70). The financial form value, as I have argued, implies a heightened degree of abstraction from the social relation of value. It is precisely the way that this social source of the process becomes misrepresented through the financial form that is the key to understand how ideological dominance can be achieved for success in ideological struggles depends on the mystification that is involved in this mediation. What decides the issue then, is how social relations become refracted through social mediations, since that determines how social consciousness comes to terms with them.

The same can be said in relation to the question of cultural constituted meaning and discourse. Some writers within cultural economy see neoliberalism and finance as processes that are culturally and discursively constituted (Aitken, 2007; de Goede, 2005; Langley, 2008; Lemke, 2001). Finance has from such perspective been interpreted as a practice pivoted on a highly technological and abstract discourse that serves to de-politicise its normative and social implications (de Goede, 2004). But the fact that de-politicization of the social process is reflected in the language used to describe it, does not mean that it originates in this usage. For even if we agree that social practices of finance and money could be interpreted as a "system of writing" (de Goede, 2005), that would still require something for this system to be written on- an objective foundation from which the discourse can derive support.

In finance, this 'something' is above all represented by the object of money, since it appears both as the starting point and the result of the process. From a cultural approach it has been suggested that money could be understood as an icon, deriving its gravitational pull from paradoxically "serving as a privileged point of entry into the contingent multiplicity of modern life, by embodying a capacity to access difference" (Konings, 2014, p. 39). Although an apt metaphor for how money embodies an affectively charged social potentiality, iconicity
remains largely descriptive of the real abstraction that is required for this thing to represent a multiplicity of life in the first place. The abstraction thus figures as a prerequisite for the metaphor but is not investigated in its own right. This is also the case when the sociality of money is exclusively identified with the diverse set of social interpretations and multiple uses surrounding it (e.g. Zelizer, 1994). Cultural and symbolic meaning in these accounts become superimposed onto a social connectivity that is taken for granted. Stopping at this point, actually reverses the relation involved; for rather than asking how this thing can have this sociality, this quality constitutes the taken for granted reference point for looking at money's variegated role and concomitant symbolism. Missing from the analysis is what it is that makes this 'social' meaning of money possible. It must be anchored in something other than the cultural projections themselves, even though these in turn play a vital part in the reproduction of the social relations involved. It is therefore necessary to investigate the social nature of money and not only its culturally infused significance and manifest uses.

On the other hand, sociologists who have taken this latter path of investigation have for the most part also ended up taking the abstract sociality of money for granted. An influential tradition in this respect derives the social nature of money from its observed function as a generalised claim on society (Dodd, 2014; Ingham, 2004; Simmel, 2011). At first this seems like a reasonable position considering that debt constitutes the form that money has taken for most parts of its history (Graeber, 2014); furthermore, debt is also the predominant form of contemporary money (Bank of England, 2014). But money as a social claim, in the last instance, presupposes the existence of something that can be claimed, something moreover that can be generally claimed:

"Since money is the universal equivalent, the GENERAL POWER OF PURCHASING, everything is purchasable, everything is convertible into money. But it can be converted into money only by being alienated, by its owner giving it up. EVERYTHING IS THEREFORE ALIENABLE, or indifferent for the individual, external to him." (Marx, 1987, p. 215)

Hence, modern money presupposes an internal relation to value, for value is essentially this something that is given up, alienated in the social process of production and which can be generally claimed (Ollman, 1976, p. 193). This is the reason why the generalisation of money in our modern capitalist society is conditioned by social relations between commodity owners (see Fine & Lapavitsas, 2000). But as money can take the form of a social claim while in the last instance being premised on the production of commodities, it is rather a social thing with emergent properties irreducible to any one of these forms. The endeavour to pin down the
nature of money to one of them therefore counteracts the initial aim to understand its sociality. This result is produced because sociology of money has hitherto largely focused on manifestations, while paying little attention to what it is that makes the phenomenon possible on a deeper ontological level. As a consequence we seem to end up confronting a mysterious thing again, losing sight of the specific social power enclosed within it.

The mystification inherent in money, as the present thesis has tried to demonstrate, derives from the fact that it only exists as an abstraction from its own social basis. For in the independent form of money, value appears as unrelated to its source in alienated labour. Money as Marx explained is "nothing but the converted form of the exchange value of a commodity" (Marx, 1994, p. 114) but at the same time it is "just this ultimate money form of the world of commodities that actually conceals, instead of disclosing, the social character" of the process (Marx, 1996, p. 86). Paradoxically, therefore, money relies on severing the very social ties that it depends on for its existence. When accounts of finance and neoliberalism do not pay attention to this opaqueness of the money form, they remain determined by money's own absenting. Locked inside these reifying conditions, they do not acquire a position from where this characteristic becomes understandable. Neoliberal power, in this way, tends to become identified with different observed manifestations, while its generative structures disappear behind ever thicker layers of naturalising forms. The absence of the financial mediation itself confines the conceptualisation to money's de-totalizing effects and consequently blinds us to the deeper conditions that make the increasing abstraction possible in the first place and how this in fact is essential to how neoliberal power operates.

**Conclusion**

This thesis has focused on the way that neoliberal power is mediated. The objective has been to take account of the conceptual side of this phenomenon as well as the broader historically specific underpinnings to which it is tied. The starting point here was the specific financial form of social mediation which does not leave any “trace” of its social source (Marx, 1989 p. 451). As the social source of the process in no way is evident from its apparent forms, it had to be “discovered as a hidden mystery” (ibid, p. 486). In this thesis, Sweden has served as a
concrete case for an immanent critique aimed at discovering what this mystery actually hides and how it is related to the way that neoliberal power is exercised.

I have argued that the strength of neoliberal power derives from the deepening fetishism of its social mediations, rooted in the way that money refracts the social relation of global capital into a mirror for an increasingly narcissistic consumer culture. Money relies on absenting its own social source, and it is precisely that very absenting that constitutes the primary source of the alienated power wielded through it. Financial fetishism naturalises the social relation of capital by cutting its ties to the extraction of surplus value in the globalised exploitation of labour. The resulting phenomenal reflection completely distorts the underlying essential relations of the process. This distortion is produced through the mediator of money which turns these relations into a mirror in which the consumer only comes to confront himself, not the increasing global exploitative interdependence that his consumption presupposes. This translates into a deepening destructive transcendence in relation to both humans and nature; an incapacity to relate to the world that is ultimately rooted in a narcissistic denial of the fundamental separation of humans from their essential social metabolism with nature. Through denying this separation, the narcissistic social consciousness also comes to deny the absolute objective conditions for social life, with enormously destructive implications.

The absence of money's own absenting in theory tends to reproduce a detotalizing split inherent in the process itself. On the one hand, financialisation then becomes conceptualised solely in terms of the process of capital accumulation where financial capital has come to gain the upper hand over productive capital (Orhangazi, 2008; Stockhammer, 2004). The social power inherent in capital, as expressed in the relation to labour, is thus reduced to a relation between different forms of capitals, which confines the process to its own most reified results. On the other hand, to move away from this reification while leaving it in place, results in social power being treated as something external to it. The rise of global finance and neoliberalism has for example been interpreted as an expression of an enhanced capacity of dominant sections in society (Duménil & Levy, 2011; Gowan, 1999; Harvey, 2005; Konings, 2011; Panitch & Gindin, 2013; Seabrooke, 2001). But to refer directly to capacity in this way tends to produce a partial voluntarism according to which the outcome of the social process is defined by the strength of dominant segments in society- but that strength is exactly what needs to be explained.
Yet, accounts that address this by conceptualising the sphere of everyday life as the social source that sustains the process of global finance (Aitken, 2007; Langley, 2008; Seabrooke, 2007) tend to end up superimposing a constitutive role onto everyday subjects rather than deriving it from them, resulting paradoxically in a de-agentification of everyday subjects. For everyday life in the financialised economy, as we have seen in the case of Sweden, is in turn increasingly sustained through the extensive and deeply exploitative globalised reproduction process of capital. The significance of everyday life for sustaining the process, therefore, lies not so much in the everyday actions themselves, but more in the way that this increasing global interdependence becomes reflected in the social consciousness of everyday subjects. This is so because the reflection that makes up the common-place conceptualisation guides everyday subjects in their daily actions. But rather than directly analysing this global interaction between the essential social relations and their phenomenal forms (see Bhaskar, 1989), neoliberal power has more often been assumed to rest on an ability to shape peoples beliefs and attitudes through ideological or discursive dominance (Harvey, 2005; Duménil & Levy, 2011; de-Goede, 2005; Lemke, 2001). However, neither ideas nor discourse are strong in themselves- they refer to something and in order for them to be hegemonically effective, this something must be able to lend support to the dominant representations.

It is here that the specific financial form of social mediation comes in; financialisation is a mediated social process characterised by a high degree of abstraction from the social relation of value. By taking this abstract mediation of the process for granted one necessarily fails to account for how this specific mediation undergirds phenomenal forms that themselves are constitutive of the social practices studied. The deeper connections of the process thus remain shielded from view, hindering the potential activation of real transformative agency in our time. For as Bhaskar points out:

"We cannot do everything at once or be aware of all the consequences of any of our actions. What is open for us is to become aware of roundabout connections" […] "and screened deep structures" […] “and where the structures and connections are oppressive and congealing engage in the totalizing depth praxis necessary to negate them." (Bhaskar, 2008, p. 159)

Nothing less than such “depth praxis” is needed today in order to absent money’s own absenting.
References


